



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in twenty three California counties are eligible to apply for low interest disaster loans. These loans are to offset economic losses because of reduced revenue to farmers and ranchers caused by adverse weather conditions in **Butte, Lake, Mendocino and Stanislaus** Counties, announced Alfred E. Judd, Disaster Area Director of the U. S. Small Business Administration (SBA).

Small businesses in the following primary and adjacent counties may apply for economic losses that are attributable to the following weather conditions and incident dates:

Butte (adjacent counties of Colusa, Glenn, Plumas, Sutter, Tehama and Yuba) – hail and late rains from April 25 through May 20, 2005.

Lake (adjacent counties of Colusa, Glenn, Mendocino, Napa, Sonoma and Yolo) – unseasonable, heavy rainfall from May 18 through June 16, 2005.

Mendocino (adjacent counties of Glenn, Humboldt, Lake, Sonoma, Tehama and Trinity) – rain and hail from May 15 through May 19, 2005.

Stanislaus (adjacent counties of Alameda, Calaveras, Mariposa, Merced, San Joaquin, Santa Clara and Tuolumne) – excessive rainfall from April 20 through May 15, 2005.

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses, which could have been met had the disaster not occurred. “Eligibility for these working capital loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4.0 %, a maximum term of 30 years, and are restricted to businesses without the financial ability to offset the adverse impact without hardship,” Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Mike Johanns declared these disasters at the request of Henry Renteria, Director of the California Office of Emergency Services, on behalf of Governor Arnold Schwarzenegger.

Businesses primarily engaged in farming or ranching are ineligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary’s declaration.

For more information on SBA’s disaster assistance programs, individuals and business owners may call toll-free (800) 659-2955. Hearing impaired individuals may call (800) 877-8339.

Completed applications may be mailed to the following address: U. S. Small Business Administration, 14925 Kingsport Road, Fort Worth, TX 76155-2243. The deadline to apply for these loans is **April 24, 2006**.

For more information visit SBA’s website at www.sba.gov/disaster.